

ORIGINAL

MEMORANDUM



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TO: Docket Control  
FROM: Ernest G. Johnson  
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Utilities Division

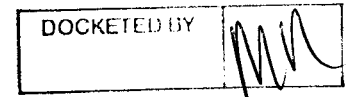
*EA for EGJ*

Arizona Corporation Commission

**DOCKETED**

**JUL 30 2007**

DATE: July 30, 2007



RE: IN THE MATTER OF THE APPLICATION OF REGAL DIVERSIFIED, INC.  
DBA REGAL TELEPHONE COMPANY FOR CANCELLATION OF ITS  
CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE RESOLD  
LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES (DOCKET NO.  
T-03692A-07-0251)

Attached is the Staff Report for the above referenced application. The applicant is applying for approval to cancel its Certificate of Convenience and Necessity ("CC&N") to provide the following services:

- Resold Local Exchange

Staff recommends cancellation of the CC&N.

EGJ:CA:kdh

Originator: Candrea Allen

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**2007 JUL 30 P 3:17**  
**AZ CORP COMMISSION**  
**DOCKET CONTROL**

SERVICE LIST FOR: Regal Diversified, Inc. d/b/a Regal Telephone Company  
DOCKET NO.: T-03692A-07-0251

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STAFF REPORT  
UTILITIES DIVISION  
ARIZONA CORPORATION COMMISSION

REGAL DIVERSIFIED, INC. DBA REGAL TELEPHONE COMPANY  
DOCKET NO. T-03692A-07-0251

IN THE MATTER OF THE APPLICATION OF REGAL DIVERSIFIED, INC. DBA REGAL  
TELEPHONE COMPANY FOR CANCELLATION OF ITS CERTIFICATE OF  
CONVENIENCE AND NECESSITY TO PROVIDE RESOLD LOCAL EXCHANGE  
TELECOMMUNICATIONS SERVICES

JULY 30, 2007

## STAFF ACKNOWLEDGEMENT

The Staff Report for the application of Regal Diversified, Inc. d/b/a Regal Telephone Company, Docket No. T-03692A-07-0251, for approval to cancel its Certificate of Convenience and Necessity to provide Resold Local Exchange Telecommunications Services was the responsibility of the staff member listed below. Candrea Allen was responsible for the review and analysis of the application.

A handwritten signature in black ink, appearing to read 'Candrea Allen', is written over a horizontal line.

Candrea Allen  
Executive Consultant I

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## **1. INTRODUCTION**

On April 23, 2007, Regal Diversified, Inc. d/b/a Regal Telephone Company ("Regal" or "Applicant") filed an application to cancel its Certificate of Convenience and Necessity ("CC&N") to provide resold local exchange telecommunications services within the State of Arizona.

## **2. BACKGROUND**

On February 1, 2000, the Commission, in Decision No. 62279, granted Regal a CC&N to provide resold local exchange telecommunications services within the State of Arizona.

Regal requests Commission approval to discontinue its authority to provide resold local exchange telecommunications service, cancel its CC&N, and withdraw its tariff.

## **3. STAFF'S ANALYSIS**

In its responses to Staff's data request, the Company stated that it does not have any customers, has ceased its telecommunications operations in Arizona, has no employees in Arizona, and does not possess any facilities in Arizona. On June 28, 2007, Regal filed an affidavit of publication of the application to cancel its CC&N.

Regal also stated in its responses that the company has never collected any advanced payments, deposits, and/or prepayments from customers. Therefore, there is no risk that any advanced payments, deposits, and/or prepayments would be lost by canceling Regal's CC&N.

On January 19, 2000, Regal filed verification of procurement of a performance bond in the amount of \$15,000. The performance bond is currently valid.

Consumer Services Staff has indicated that from January 1, 2004 to current, there have been zero complaints, inquiries, and opinions filed for Regal. However, the Corporations Division reports that as of April 30, 2007, Regal is not in good standing due to an undeliverable domestic address and not filing the Company's 2007 annual report.

Since there are numerous other carriers offering the same or similar services as Regal and Regal does not have any customers in Arizona, Staff believes that approval of Regal's request to cancel its CC&N and withdraw its tariff is in the public interest.

## **4. RECOMMENDATIONS**

Staff recommends the approval of Regal's application to cancel its CC&N. Regal is not conducting business or providing services to customers in Arizona. Staff also recommends that the performance bond that Regal was ordered to procure in Decision No. 62279 be cancelled.

Upon cancellation of its CC&N, Regal will no longer be authorized to provide resold local exchange telecommunications services in Arizona. Therefore, Regal will no longer be subject to the requirements of Decision No. 62279. In addition, Staff further recommends the withdrawal of Regal's tariffs on file with the Commission.